

Public Act 93-0024 eliminates the exemption from Illinois Retailers' Occupation and Use Tax afforded the sale of pollution control facilities beginning July 1, 2003. Sales of qualifying pollution control facilities made through June 30, 2003 are exempt from Illinois sales tax. See 86 Ill. Adm. Code 130.335 (This is a GIL.)

July 24, 2003

Dear Xxxxx:

This letter is in response to your letter dated May 13, 2003. The information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See, 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/Laws/regs/part1200>.

Attached are copies of a letter sent to the Department of Revenue from our company in 1986 and your Department's response.

Please advise us as to whether any regulations cited have changed since 1986.

Thank you for your assistance.

Please be advised that the Department regulation governing taxation of pollution control facilities, 86 Ill. Adm. Code 130.335, was recently amended by emergency rule-making as a result of the signing into law of Public Act 93-0024 on June 20, 2003. Public Act 93-0024 eliminates the exemption from Illinois Retailers' Occupation and Use Tax afforded the sale of pollution control facilities beginning July 1, 2003. Sales of qualifying pollution control facilities made through June 30, 2003 are exempt from Illinois sales tax. A copy of 86 Ill. Adm. Code 130.335, as recently amended, is enclosed for your reference.

As stated above the exemption from tax for pollution control facilities remains in effect through June 30, 2003. The pollution control facilities exemption extends to "any system, method, construction, device or appliance appurtenant thereto sold or used or intended for the primary purpose of eliminating, preventing, or reducing air and water pollution as the term "pollution" is defined in the Environmental Protection Act (415 ILCS 5/1 et seq.), or for the primary purpose of treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant which if released without such treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property." See Section 130.335(a). In general, compactors do not qualify for this exemption because they do not prevent or reduce air or water pollution, or treat, modify or dispose of potentially harmful pollutants. The fact that these machines

may change or reduce the volume of waste does not constitute prevention or reduction of air or water pollution.

Waste compactors sold containing deodorizing devices as necessary component parts, however, may qualify if the air pollution control function of the deodorizing devices allow the machines to be used primarily for the purpose of eliminating, preventing or reducing air pollution. In general, the purchase of a compactor that does not contain a deodorizing device but which is subsequently added by an installer, would not qualify for the exemption. The original purchase of the compactor would be taxable. The subsequent purchase of the deodorizing device, however, could qualify for the exemption.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Sincerely,

Dana Deen Kinion  
Associate Counsel

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